



Applications

Dotting the i's and crossing the t's

RR # 686

Dry Cleaner Environmental Response Fund Program

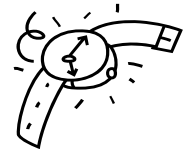
February, 2002

The Dry Cleaner Environmental Response Fund (DERF) program was established to help dry cleaners pay the cost of investigating and cleaning up contamination caused by the release of dry cleaning chemicals. When appropriate milestones have been reached, dry cleaners may submit reimbursement applications to the DNR for review and auditing, so that a reimbursement check can be dispersed back to them. The DNR Remediation and Redevelopment program's Regional Project Managers are the drycleaners first point of contact when seeking to participate in this program, and work with the drycleaner throughout the cleanup process. The Bureau for Community Financial Assistance is responsible for auditing the applications as they are submitted by the regional project manager. For more information about the Remediation and Redevelopment or Community Financial Assistance programs, check out our websites at www.dnr.state.wi.us/org/aw/rr or www.dnr.state.wi.us/org/caer/cfa.

When to submit an application

There are several milestones that when reached allow you to submit a reimbursement application to the DNR for reimbursement of your investigation and cleanup costs. The first milestone includes:

- ◆ completing your site investigation
- ◆ DNR approval of your remedial action options report
- ◆ Signed and approved schedule for implementing your remedial actions through a general spill response agreement



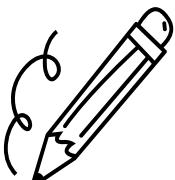
Once you have begun implementing your remedy, you may submit up to two applications per fiscal year, from July 1 to June 30. For the year in which your remedial action is complete, the final application is not considered one of the two applications allowed.

Forms to use

The DNR has provided a number of forms for you to use in completing your DERF application. These forms must be completed in full before they will be submitted to the auditor for review. If you are unsure of how to complete the forms, or if you have a question about a cost, it is best to contact your project manager prior to submitting an application, to ensure an expedited review and minimize penalties assessed against the application.

The following summarizes the forms that need to be included in a reimbursement request:

- ◆ Application form (Form 4400-211)
- ◆ Bid Proposal Summary Form (Form 4400-212)
- ◆ Reimbursement Cost Summary Form (Form 4400-213) or equivalent
- ◆ Reimbursement Cost Detail Worksheet Form (Form 4400-214 or equivalent)
- ◆ Verification of Taxpayer Identification Number Form (W-9 Form)

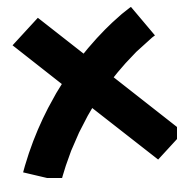


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There are also other attachments that are necessary to complete your application request, including a map and description of the legal location of the facility, copies of invoices and all canceled checks (both sides), and accepted bid documents.

Ineligible Costs

It is very important that you understand what is eligible for reimbursement and what is not. Ineligible costs included on your application are not only subtracted from your reimbursement amount, but 50% of those costs are assessed as a penalty fee against your reimbursement. Section NR 169.11(3) identifies specific costs that are not reimbursable from the DERF program.



Some of these include:

- ◆ Costs incurred prior to October, 14, 1997
- ◆ Financing costs, including interest and local origination fees
- ◆ Attorney fees or other legal costs
- ◆ Costs to prepare an application under this rule, or contest an application decision
- ◆ Air travel expenses
- ◆ Expense charges for meals, lodging, travel or other personal expenses.
- ◆ Costs for contractor's services that exceed the contractor's bid price for those services, except for those allowed as an approved change order under s. 169.21
- ◆ Costs not documented by an invoice and a canceled check, or other conclusive proof of payment by the eligible applicant applying for reimbursement.
- ◆ Costs to investigate or repair environmental contamination involving substances that are not dry cleaning solvents. A cost allocation formula approved by the department should be used to separate out costs associated with dry cleaning solvents and other contaminants.
 - ◆ Costs to analyze environmental samples for substances that are not dry cleaning solvents, unless those analyses are needed to design or implement a response action.
 - ◆ Costs to analyze samples for dry cleaning solvents that could not reasonably have been discharged at the facility.
 - ◆ Costs for environmental audits, evaluation or appraisals, other than those needed for the effective planning and implementation of a response action.
 - ◆ Supplemental charges for expedited services, such as lab analyses, mail or parcel delivery services unless the department approves those charges in advance.
- ◆ Costs for subcontractor service charges or markups
- ◆ Indirect costs charged by a contractor, unless those costs are allocated to the contract according to a reasonable cost allocation formula that the contractor uses for other, similar contracts.
- ◆ Costs for the time that the owner or operator, or any officer of the owner or operator, spends planning or implementing a response action.
- ◆ Costs that the department determines to be unreasonable or unnecessary to carry out the remedial action activities specified in the remedial action options report.
- ◆ Costs to prepare a reimbursement application or to consult with the Department about the application.



Remember, if in doubt, call your regional project manager. If they have questions, they can talk directly with the DNR auditor and resolve the questionable cost before the application is submitted. This helps expedite the application review process, and helps ensure you a full reimbursement.